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LATE NCAA RESULTS
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PARIS, MONDAY, MARCH 28, 1988

Democratic Disarray Grows As Jackson Wins in Michigan

By R.W. Apple Jr.
New York Times Service
DETROIT—The Reverend Jesse Jackson has dealt a blow to presidential candidacy of Gov. Michael S. Dukakis, beating in the popular vote in the Michigan Democratic caucuses denying him the momentum he sought in this big industrial state.

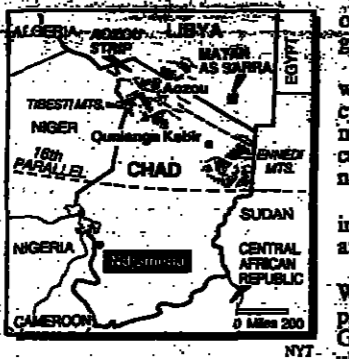


The Reverend Jesse Jackson, who got the votes in Detroit.

Mr. Dukakis, who had spent more money, had more endorsements and led in opinion polls. [Mr. Gephardt had 13 percent; Senator Paul Simon 2 percent, and Senator Albert Gore Jr. 2 percent.] Mr. Dukakis had hoped that a clear-cut victory in this state would prove his appeal to blue-collar workers, a group critical to Democratic chances in the fall, and re-establish him as the front-runner. He had lost this distinction when he ran third behind a pair of favorite sons in Illinois, Mr. Jackson and Senator Paul Simon.

Libya and Chad, Prepared for War, Look to Talks Over Disputed Border

By James Brooke
New York Times Service
DIAMENA, Chad — Six days after a cease-fire halted the Chad war, 10,000 Chadians face 12,000 Libyans in the Azeo Strip, a 10-kilometer wide slice of the Sahara claimed by both countries.



Supplied by the United States to an African country.

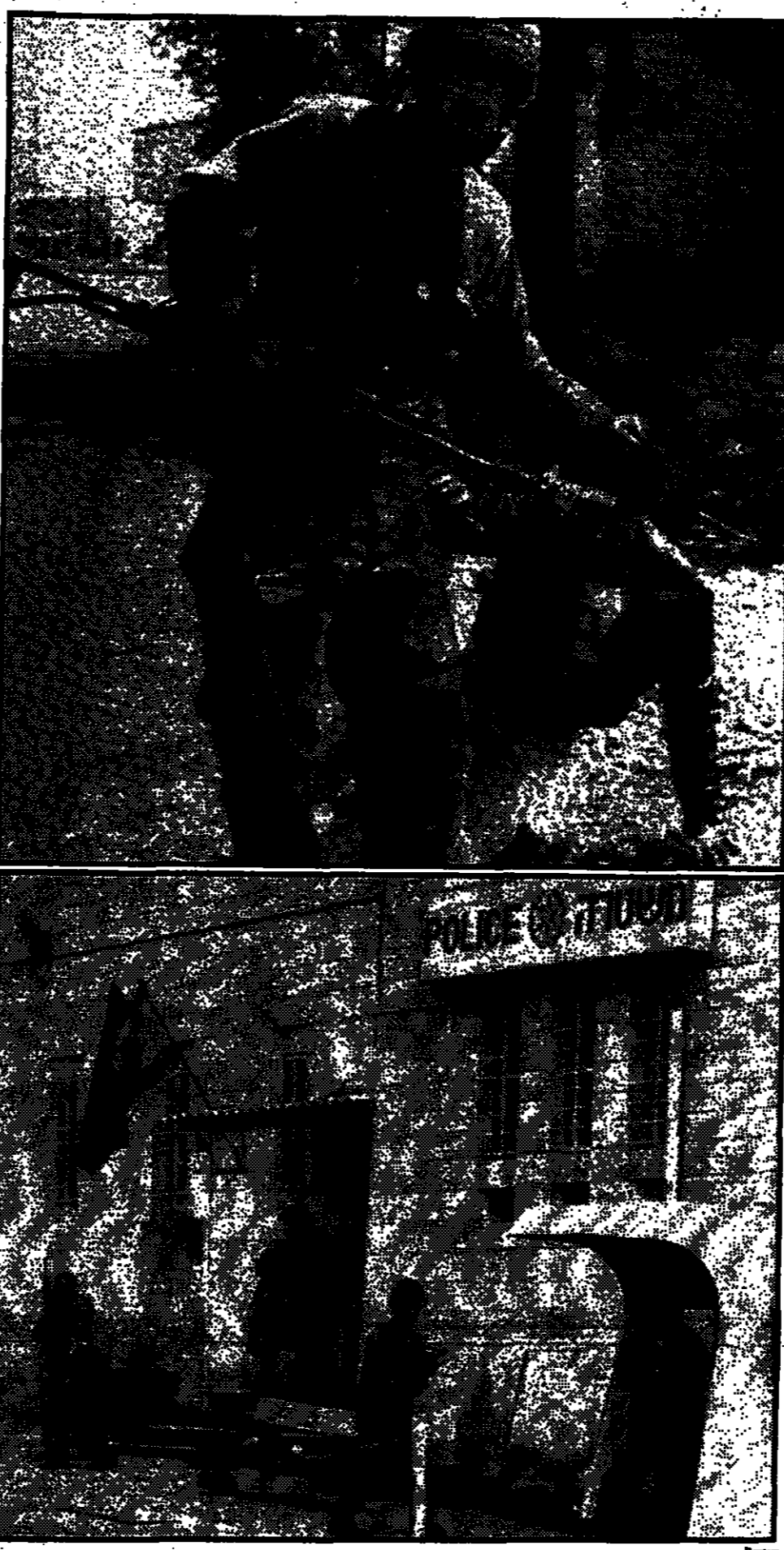
Until recently, Libya played what Africans called the "diplomacy of the empty chair," refusing to meet with Chadian officials to discuss the border dispute. Libya does not recognize Chad's government. But last week, Libyan officials indicated that their leader would attend the meeting.

Kiosk
Belgian Effort
On a Cabinet

Trade Zones Assailed For Wider U.S. Deficit

By John Meehan
International Herald Tribune
NEW YORK — In 1934 it seemed like a good idea. Congressional New Dealers, eager to create jobs in the midst of the Great Depression, decided to take steps to encourage international trade.

U.S. International Trade Commission released a study that found trade zones have created about 4,400 jobs in auto assembly plants, but contributed to the loss of an estimated 14,600 jobs in the U.S. auto parts industry.



An Israeli soldier pulling a Palestinian by the hair Sunday as he arrested the West Bank youth at a protest in Ramallah. In Bethlehem, bottom, soldiers fired into the air as the police station at Manger Square came under attack by rock-throwing protesters. Four Palestinians were killed during the day.

4 Palestinians Slain by Israelis; Shultz to Renew Peace Shuttle

By John Kifer
New York Times Service
JERUSALEM — Israeli soldiers shot and killed four more Palestinians on Sunday as they pressed a huge campaign of arrests that the government says has rounded up nearly 2,000 people in a week and a half in hopes of breaking the wave of protests.

Palestinian by birth, issued a statement afterward calling the meeting "a step forward" in the peace process. In the occupied West Bank and Gaza Strip, the Palestinian protest movement appears yet more deeply ingrained despite the Israeli campaign of arrests, and despite a marked increase in the use of live ammunition that has recently produced an average of more than a death a day and mounting economic pressure, including closing down vegetable markets.

Reagan's Dream of SDI Is Sharply Scaled Back

By R. Jeffrey Smith
Washington Post Service
WASHINGTON — Five years and \$12 billion after President Ronald Reagan inaugurated a major effort to render Soviet ballistic missiles "impotent and obsolete," the Defense Department is sharply scaling back efforts to fulfill his dream, because of seemingly insurmountable hardware and money problems.

Instead of developing a "space security shield" to protect U.S. cities, the concept the president introduced on March 23, 1983, the Pentagon has settled on the far less ambitious, immediate goal of protecting vital military installations. Senior U.S. officials say the decision to concentrate on a limited system reflects broad agreement within the administration that the president's dream probably cannot be attained.

IRS Targeting Tax Delinquents Abroad

By Robert C. Siner
International Herald Tribune
WASHINGTON — Spurred by congressional concern that many U.S. citizens abroad are not paying their taxes, the Internal Revenue Service is working on a five-year plan to identify, analyze and document those taxpayers and increase compliance, according to two senior IRS officials.

The plan is primarily aimed at identifying those overseas Americans who are not filing U.S. tax returns. But it also involves steps to make sure that those who do file pay the full amount due.

There is also no statute of limitations for criminal fraud. The IRS deputy assistant commissioner, Donald E. Berghern, and the director of planning and research, Richard W. Hays, outlined the plan in an interview.

Who are not working for or connected with the U.S. government. However, the service can track only about 275,000 of their tax returns. From 2 million Americans living in the United States, the service would expect about 840,000 returns.

Another goal of the plan, Mr. Hays said, is to develop valid profiles for overseas taxpayers. These computer models enable the service quickly to spot potential problem returns for further checking by the examiners.

MONDAY Q&A
Henry Plumb, on the problem of feeding the third world.
General News
Business/Finance
Special Report

On Moscow Street Corner, a Read-All-About-It Newspaper

By David Remnick
Washington Post Service
MOSCOW — Alexander Podrabinek stood on a street corner Sunday handing out copies of the most objective, tough-minded newspaper in the Soviet Union. And for all the talk about glasnost, or openness, and a vastly improved official press, Mr. Podrabinek's paper is one he prints himself, an underground journal called Express-Khronika.

Usually, Mr. Podrabinek enjoys his Sundays passing out papers and talking with his readers. But this Sunday, he was beaten by the KGB. Several officers descended on Mr. Podrabinek and pushed him around, hit him a few times.

Much of Disputed Soviet Area on Strike
The Communist Party daily Pravda and the government daily Izvestia said the stoppage had closed most factories in the regional capital, Stepanakert.

The state "suggested" that he leave the country, but he refused. Even in prison camp, he continued working as an activist. He must now live 120 kilometers (75 miles) outside the Moscow city limits.

Podrabinek said, "We think of ourselves as a wire service. Pure information, unemotional, like you might get from AP or Reuters," two major Western news services.

Every Saturday, Mr. Podrabinek and five other editors assemble at the three-room apartment of Tamara and Sasha Kalugin, an artist whose shutter was one of the pretexts the state gave for locking him away in a psychiatric hospital. Mr. Kalugin's drawings, which have been shown in the West, make a surreal backdrop for the makeshift newsroom.

OPINION

First No to Land for Peace, Now No to Peace for Land

By Anthony Lewis

BOSTON—The current effort to find a way to peace in the Middle East faces a frustrating irony. Israel and the Arabs have to a degree exchanged the positions they held for many years.

Sometimes You Deal
ERRORISM is not an issue of moral absolutes, devoutly though one might wish it were so.



LETTERS TO THE EDITOR

First Comes Recognition

The opinion column "Israel's Jews Have No Place Else to Go" (March 17), by George F. Will, points out the need for direct bilateral negotiations instead of an international conference.

to exist," she writes. But if the PLO's solution is either a secular democratic state or two separate states, it still has far to go, as it has not even acknowledged the existence of one state, and prefers hijacking to political initiatives.

Mr. Will scuttles any idea of an independent Palestinian state by arguing that an acceptable guarantee assuring Israel's existence as a state can never be upheld by any of the parties involved.

The Zionists' difficulty was that there was no real Arab nationalist movement that addressed itself to Palestine, and thus no leadership with whom a dialogue might have been carried out.

Yehoshafat Harkabi, the former chief of Israeli military intelligence, answers that a dream of Israel's disappearance may continue, but that in practice Jordan and the PLO have adjusted to the realistic need for "political accommodation."

I recall going to see him in Luxembourg in the early 1980s when he had just set up the headquarters of the European Coal and Steel Community, his great creation that changed the political and economic outlook for Europe.

A Full Span of Progress in Europe

By Don Cook

PARIS—Packing up to move back to America after 43 years in Europe is like sorting out all the characters and subplots in Tolstoy's "War and Peace."

no other way, because the process is much greater than the problem. When I was in Brussels two months ago, covering my last European Community summit meeting, I thought back to that conversation.

Memory turns mainly to the men, not the events — men like Jean Monnet, Dean Acheson, Anthony Eden, John Foster Dulles, W. Averell Harriman, George C. Marshall, Konrad Adenauer, David Bruce, Charles de Gaulle, Harold Macmillan and Henry A. Kissinger.

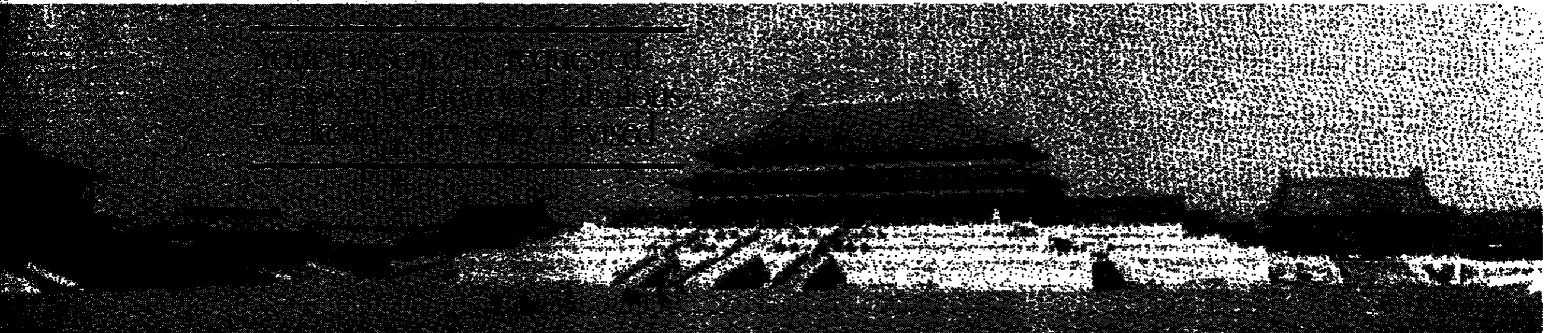
De Gaulle detested the idea of a federalized Europe. He had Monnet's telephone tapped. Monnet dismissed a warning about this with the remark, "Well, tant pis, perhaps he'll learn something."

The most absorbing diplomatic story for me was the Geneva conference of 1954 when the French disengaged from their unwelcome Indochina war.

John Foster Dulles saw the French efforts to end their involvement in Indochina as a sellout to communism and another Munich in the making.

I always came away with a clearer sense of what was important and what was not, with a sense of how history was moving, of the future shaping of events.

So I depart from Europe at a time when containment is a proven success and confrontation is no longer going to be the theme of history. It is a good time to be going home.



THE RETURN OF MARCO POLO BEIJING June, 1988

Your ten-day journey will include these weekend events:
3 JUNE. A private visit to the Summer Palace with a gondola trip on Lake Kunning to the Isle of Dragons for a luncheon served in the style of the Empress Cixi and a performance by the best singers from the Beijing Opera.

As the high point of a ten-day journey to historical China, three days of festivities to benefit the restoration and preservation of two of mankind's greatest achievements: the City of Venice and the Great Wall of China. Proceeds to be distributed under the control of UNESCO.

3 JUNE. A private visit to the Summer Palace with a gondola trip on Lake Kunning to the Isle of Dragons for a luncheon served in the style of the Empress Cixi and a performance by the best singers from the Beijing Opera.

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Table with 4 columns: ALL INCLUSIVE CHARGES PER PERSON, 10-DAY TRIP, WEEKEND ONLY. Rows include From US/Europe, From Tokyo, From Hong Kong.

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Finland: Facing Up to 1992

IN THE NEWS

Dec. 4, 1987: Finland Sees Threat to EFTA

Finland's trade minister, Pertti Salonen, warns that the future of the European Free Trade Association (EFTA) could be at risk unless the group collaborates with the European Community as it moves toward 1992.

Jan. 20: Nokia Acquires Data Systems Unit

Nokia AB, Finland's biggest publicly traded industrial enterprise, acquires the data systems division of L.M. Ericsson AB, the Swedish electronics company. The acquisition of 80 percent of Ericsson Information Systems makes Nokia Europe's second largest maker of data terminals.

Feb. 15: Koivisto Re-Elected

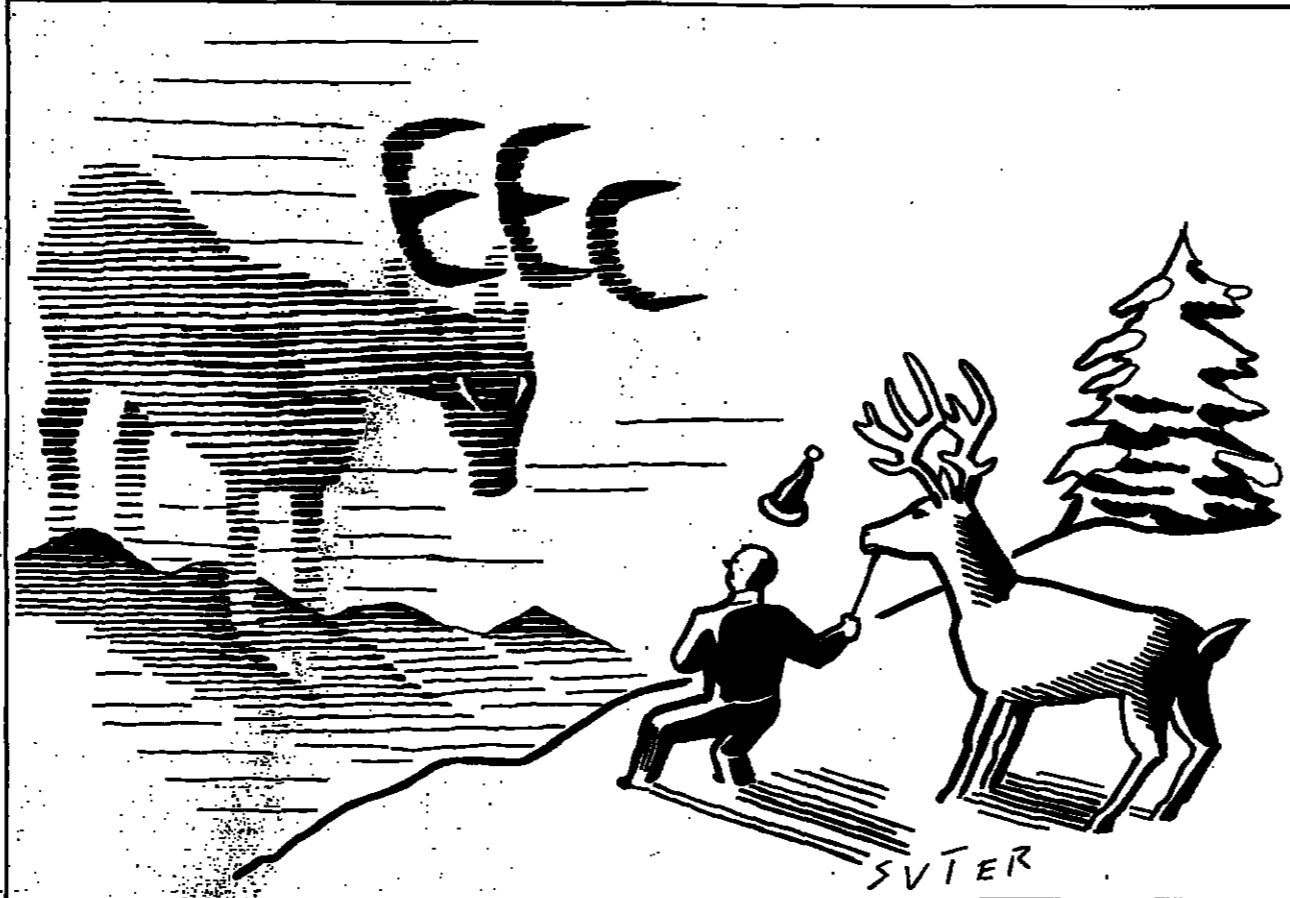
President Mauno Koivisto is re-elected to a second six-year term by the electoral college. The 301-member college, chosen in elections that ended Jan. 2, gave the Social Democratic leader 189 votes in a second ballot after an inconclusive first round. Mr. Koivisto won 47.9 percent of the popular vote and 144 seats in the college.

Feb. 28: Ice Hockey Team Wins 1st Olympic Medal

In the final ice hockey match of the Winter Olympics, Finland delivers the only defeat of the Games to the Soviet team. The 2-1 victory assures the Finnish team of a silver medal — its first in Olympic ice hockey. Earlier, the team lost 5-2 to Czechoslovakia, then won easily over West Germany, 8-0. Before meeting the Soviet team, Finland's assistant coach, Hannu Jorjikka, noted: "It's a question of one game, 60 minutes. Why not?"



Press-Scout



David Seab

Has Neutrality Become Obsolete?

By Max Jakobson

HELSINKI — Finland and the other European neutral nations — Austria, Sweden and Switzerland — are beginning to stir out of their complacent belief in an everlasting status quo. The immediate challenge they face is posed by the process of economic integration in Western Europe. Economic interest pulls them into the Common Market, neutrality keeps them out.

More fundamentally, the traditional concept of neutrality is coming under critical scrutiny. It is a concept rooted in the experience of two world wars and the military confrontation of the past decades. Will it retain its validity in the more peaceful conditions now evolving between the two alliances?

Neutrality is usually defined in negative terms, as a refusal to join alliances or to take sides; hardly a slogan to make your blood boil. Yet in each of the four countries, the very word at times has touched the deepest feelings of the people.

COMMENTARY

The Finns, for instance, still remember the passionate declaration of the late President Urho Kekkonen, who at the height of the Berlin crisis of 1961 pledged himself to defend Finnish neutrality to his last breath. Everyone understood what he really meant: It was his way of saying no to military cooperation with the Soviet Union. Neutrality always implies the rejection of

another alternative. In theory, a small state lying between rival military blocs can choose between joining either bloc or staying neutral.

In practice, however, it is inconceivable that a state could choose either of two alliances. For reasons of geopolitics or ideology, normally only one can be an acceptable alternative. Thus, a state that chooses neutrality rejects the alternative of joining one of the alliances.

The position of Sweden at the end of the 1940s is a case in point. The alternatives were neutrality or membership in the North Atlantic Treaty Organization. By staying neutral, Sweden said no to NATO. It followed that the Western powers regarded Swedish neutrality with displeasure, while the Soviet Union praised it.

Continued on page 8

Realigning Economic Ties

Integrated EC Poses A Major Challenge

By Henry Tanner

HELSINKI — The Finns, like other neighbors of the European Community, have their eyes riveted on 1992, the year in which all the remaining barriers to the free movement of goods, labor and services are supposed to be abolished within the community's internal market.

Finnish industrialists are convinced that the European internal market will become a reality by the mid-1990s — rather than on deadline, in 1992, as the negotiations between the 12 move from marginal to crucial issues of national interest.

How to gear themselves to cooperation and competition with the emerging new giant is regarded as the overriding issue facing Finnish industry, the labor unions and the government. Finnish companies will have to step up the restructuring processes that are under way to increase productivity, cut costs and seek international alliances, among other things.

Finland's distant location from the heart of Europe and the relatively recent stage of its industrialization make the challenge more forbidding than in most countries.

As a region, the European Community is Finland's foremost trading partner. It bought 42 percent of Finnish exports in 1987. This compared with 17 percent for the Soviet bloc and 23 percent for the European Free Trade Association (EFTA), which includes Norway, Sweden, Austria and Switzerland in addition to Finland. Imports from the EC increased by 15 percent in 1987.

Among individual countries, only the Soviet Union with 15 percent and neighboring Sweden, with close to 15 percent, bought more Finnish goods than West Germany and Britain, each with 11 percent.

But despite the magnitude of the challenge, public debate about Europe has been muted. This is because the Finns — industrialists as well as politicians and labor leaders — are agreed on the fundamental issue involved: They rule out full membership in the community as being incompatible with Finnish neutrality.

Of the five EFTA countries, only the Swiss

are equally categorical. There is no such consensus in Finland's two Nordic neighbors. In Sweden, a vocal part of the business community is urging membership on an unwilling government. And in Norway, a NATO member whose voters turned down EC membership in a referendum 16 years ago, the prime minister, Gro Harlem Brundtland, has stated that it

Cooperation and competition with the emerging new giant is the overriding issue.

would take a new referendum to reverse that decision — a risk that her ruling Labor Party is not eager to face a second time.

In Austria, Foreign Minister Alois Mock has come out for full membership and Chancellor Franz Vranitzky, more cautiously, has said that he "does not rule it out."

But the situation in Vienna changed last month when the Soviet Union intervened publicly in this internal Austrian debate for the first time.

The Soviet ambassador in Vienna called a press conference and, in answer to an obviously planted question from a Soviet correspondent, declared that the Soviet government "absolutely does not agree" with those Austrian politicians who argue that membership in the community could be squared with the country's neutrality as defined by the 1955 state treaty. Earlier, the ambassador is understood to have delivered similar messages to Austrian officials.

The signal from Moscow has been carefully registered and studied in Helsinki even though it made few headlines in the international

Continued on page 9

This announcement appears as a matter of record only.

JANUARY 1988

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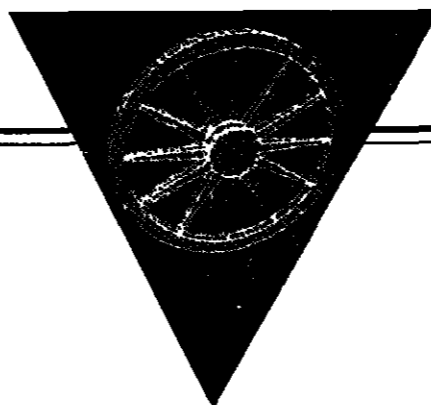
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Industry Finding High-Tech Niche

Some smaller firms have become outstanding in their field.

By Henry Tanner

HELSINKI — Finland, where as recently as 30 years ago almost half the population was still working in agriculture and forestry, is a late-comer to high technology. But during the past 10 years, Finnish companies have made up for lost time.

The country's traditional industries, shipbuilding and wood products, have made massive capital investments and converted to the latest in computerized manufacturing processes and machinery.

While shipyards in the rest of Europe have closed or are struggling against odds, the Finnish yards have found prosperity in the two specialized niches in which they excel — modern, electronics-filled icebreakers and other Arctic ships, and luxury cruise liners for the Caribbean.

"We have built 60 percent of the world's icebreakers and one-third of the world's cruise ships," said Tankmar Horn, the chairman of the Wartsila Shipbuilding Company.

The first of two nuclear-powered icebreakers for the Soviet Union is ready to be towed to Leningrad, where the Soviets will fit it with its reactor. It cost \$250 million and will be "the first civilian nuclear-powered vessel built in the Western world," according to Mr. Horn. It will

need to go home for bunkering every two years instead of the two weeks for diesel-powered icebreakers. A sister ship will be ready in two-and-a-half years.

Smaller Finnish firms also have made their strategy to hunt for promising niches that they can fill rather than competing across-the-board with the big established, financially overpowering high-tech industries of Europe, the United States and Japan.

Many of them have done well, and some have become outstanding in their field. Some have been around for 40 or 50 years, but others have been founded recently by young people straight out of the Finnish University of Technology.

One company, Rauma-Repola, recently concluded trials on a new deep-sea research vessel that it says can go to a "depth of six kilometers" (3.7 miles) and thus is able to operate in 98 percent of the world's oceans. The first two vessels have just been delivered to the Soviet Union.

Finnish spending on research and development, though still only a modest 1.6 percent of gross national product, is picking up. In relative terms, it is now increasing more rapidly than anywhere else in Europe, according to Juhani Kuusi, the director of the National Technology Development Center, which was created five years ago to assist Finnish companies.

Tecnomen, one of the world leaders in paging systems, is one of the small new companies that have done seasonally well.

Olli Kalervo, its managing director, was 28 when he and a few of his friends turned a former butchershop into a high-tech lab 10 years ago. As he tells it, they had little more than a few screwdrivers, a supply of silicon and a total capital of \$60 when they started. After a while, they borrowed some tables and moved to an abandoned school, where they produced their first software control program for Nokia, the big Finnish electronics group.

The company's first breakthrough came when it developed a novel system of synchronized ultra-high frequency radio transmission for paging messages that, Mr. Kalervo said, "is thought to be the best in the world."

The system is able to deliver messages to pocket pagers anywhere the breadth and 700-mile length of Finland within 22 seconds without benefit of satellites.

Tecnomen built the first system, which is called "simulcasting," for Finland three years ago and has since installed similar systems in Switzerland, where it had to solve the problem of "getting around the mountains," Austria and Sweden.

"Our most impressive sale," said Mr. Kalervo, "was to Japan, where we beat the leading Japanese manufacturers on their home turf" by winning a contract from the city of Tokyo for a paging system that will eventually be expanded to serve 600,000 customers.

The Japanese wanted a display screen on the pagers in Japanese writing. That was a new problem for the Finns, "but we did that too, because the customer wanted it," he said.

Tecnomen also specializes in modernizing telephone systems. One of its devices is an automatic metering device that registers the length and price of a communication. Another is equipment to pinpoint malfunctions.

The company will devote the current year to consolidation, but next year "we will be ready with another world-scale innovation," Mr. Kalervo said. He added that capital is no longer a problem — "everybody is trying to give us money now."

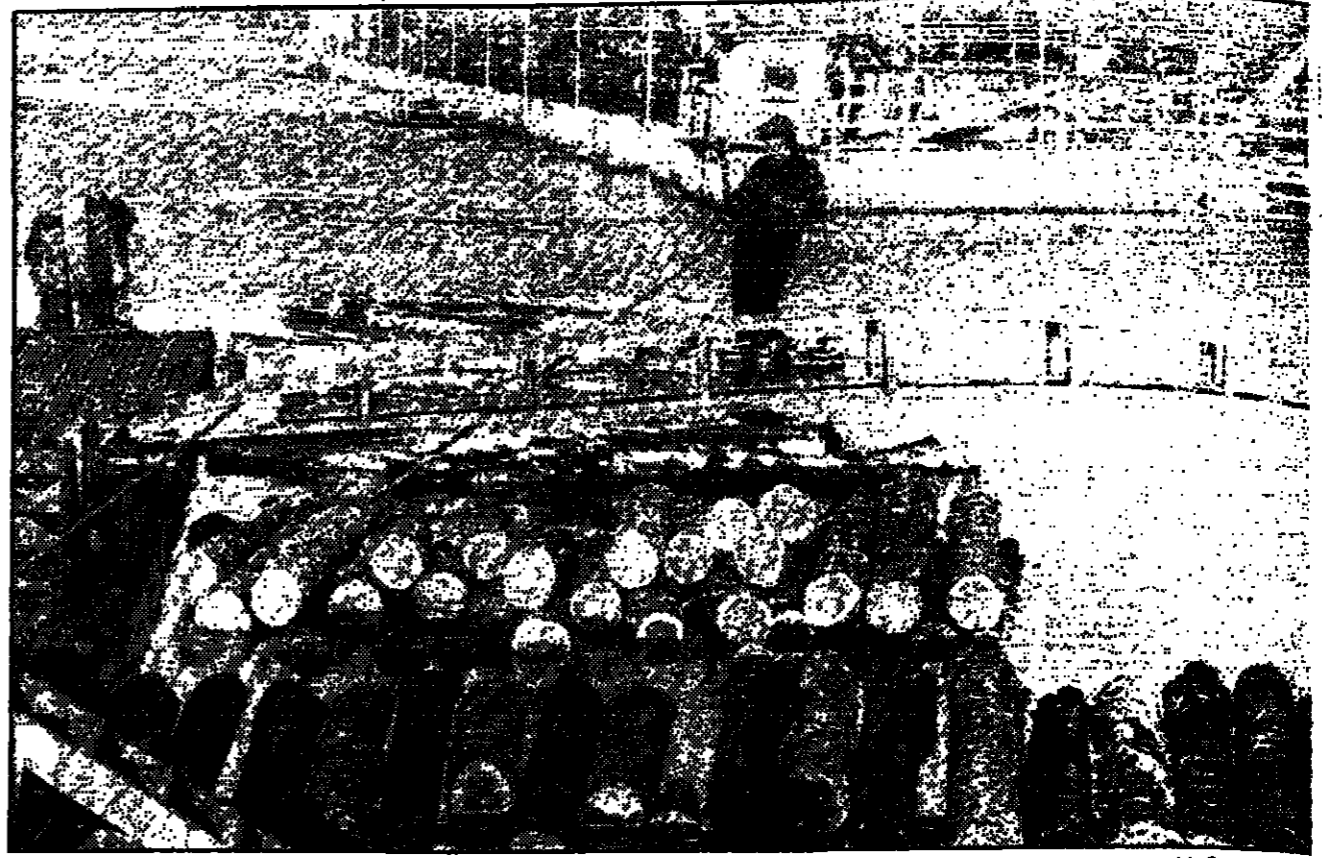
Vaisala, an older and more established company, is among the world's leading designers and manufacturers of measuring devices for weather forecasting, aviation, road safety management and industry.

"We are measuring things, that's our business; there is no major airline that is not relying on Vaisala measuring for the planning of its routes and for landing and taking-off at international airports," said Yrjo Toivola, the company's managing director.

The company has been producing radio-sonde sensors, a prime tool of meteorology, since its founding in the early 1930s.

One of its recent innovations is a remote-sensing, upper-air wind measuring system that it calls "Wind Profiler." It was put on the market last May.

As Mr. Toivola explained it, this is a new



Logs are moved in Kemi, Finland. The wood industry, one of Finland's traditional industries, has made massive capital investments in recent years in an effort to modernize and remain competitive.

technology, which, for the first time, provides a continuous, automatic three-dimensional picture of the wind, making it possible to monitor the upper air continuously without sending up balloons. It serves to anticipate hitherto unpredictable "micro bursts" and windshears.

"These occur when cool air dropping down from the upper strata hits the ground and causes sudden side winds of up to 100 miles an hour. These gusts have been a threat to space shuttles and airliners. The technology was developed at the request of the U.S. National Aeronautics and Space Administration.

Also last year, Vaisala developed a system of automated electronic road weather stations, which consist of packages of several sensors that are installed at regular intervals along major roads.

The sophisticated sensors monitor everything from temperatures, humidity, visibility and wind speed to changes in the state of the road surface, including, for instance, patches of ice.

The information is computerized and relayed to road maintenance stations and traffic police for action. At a later stage, it will be

relayed directly to drivers, who will be warned of ice or fog ahead or asked to change their route.

The first integrated road monitoring systems were delivered to the Finnish government last year, and other countries with severe climatic conditions are showing interest.

Mr. Toivola carries the company's newest pressure sensor, a tiny glittering square set like a diamond, in his tie clip, on the theory, he said, "that the man from a good high-tech company must be able to carry his product on him."

New Economic Order Puts Traditional Neutrality Into Question

Continued from page 7

As Machiavelli put it, "The one who is not your friend will want you to remain neutral, and the one who is your friend will require you to declare yourself by taking arms."

In the case of Austria, neutrality meant saying no to the past. Austrian neutrality is, in effect, a promise not to join Germany again.

The Swiss, of course, are the purest. They have even said no to the United Nations. The others use the United Nations as a platform to convince the world that their policy is not just a selfish way of saving their own skins, but actually serves the higher interests of the international community by enabling them to provide mediators or peacekeeping forces.

The crucial issue for the neutral countries is no longer how to balance between the superpowers. It is how to order relations with the European Community.

In principle, nothing has changed since the 1960s, when all the neutrals made their choice by staying outside the EC. The four governments continue to adhere to the view that membership in the EC would be incompatible with a policy of neutrality.

There are reasons besides neutrality for not joining. The unique Swiss system of direct democracy and cantonal autonomy could not be reconciled with supranational decision-making in Brussels. In Sweden, the ruling Social Democrats fear a loss of control over social policy. Finland, with an estimated 15 percent of exports going to the Soviet Union in 1987,

looks over its shoulder at Moscow. Austrians, too, must consider a possible Soviet reaction under the 1955 state treaty.

The present drive to create a unified market within the EC by 1992 is different in character from what took place in the 1950s and 1960s.

At that time, economic integration was a means to a political end. The motive was ideological and the purpose was to achieve greater political unity, ultimately a United States of Europe, as a defense against communism. The architects of integration were politicians and civil servants.

Today, it is the businessmen and industrialists of Europe who lead the way. The driving force is technological and commercial. European firms need a bigger home market to be able to meet the American and Japanese competition.

In the neutral countries, too, it is now the businessmen and industrialists who advocate closer ties with the EC. Many of them are inclined to dismiss traditional neutrality as obsolete. Only full membership in the EC, they argue, can ensure participation in making the decisions that determine economic policy within the EC.

The desire to find a way to join the EC without actually abandoning neutrality is especially strong in Austria. The sheer weight of economic interest impels the country in this direction. The EC share of Austrian foreign trade is 60 percent, while the corresponding figure for Switzerland is 55 percent, Sweden 50 percent and Finland 42 percent in 1987.

But there are other, more intangible reasons. Unlike Sweden or Finland, Austria is not a nation-state with a long tradition of resistance to foreign influence. Fifty years ago, the Austrians voted their state out of existence. Now again, they are feeling an urge to merge themselves into a wider community.

Then there is the thaw in East-West relations. The Soviet leader Mikhail S. Gorbachev's "new thinking" has raised hopes of a change in the Soviet attitude to the EC. Moscow itself is making overtures to Brussels. Maybe it would no longer object to neutral countries joining the EC?

Soviet diplomats have recently made clear, however, that such speculation is wishful thinking. Austrian neutrality is an integral element in the European structure. Any shift in the Austrian position could set off a chain reaction in Central and Eastern Europe. Mr. Gorbachev, besieged already by demands from nationalities within his own realm, must be anxious to keep things in Europe as they are.

Western policy, too, remains wedded to the status quo. The EC gives no sign of having expansionist aspirations. The community is preoccupied with the task of absorbing Spain and Portugal. It can hardly be interested in acquiring new members, especially not of the kind that would claim exemption from such heavy duty as may be required by common political action or defense.

It is a safe bet, therefore, that the basic structure of Europe will remain intact for at least several years, and the neutral nations will have to find access to the Common Market by means other than membership, through the European Free Trade Association (EFTA) as well as bilateral arrangements with Brussels.

Yet the hope of change persists. In a recent

interview with the Swedish newspaper Svenska Dagbladet, Chancellor Franz Vranitzky of Austria has painted an appealing picture of Europe in the mid-1990s. By that time, he believes, the EC might consist of a hard core of members forming a defense community while an outer circle could include neutral states, with Austria acting as bridge between West and East.

Is this merely wishful thinking or a bold vision of future reality? Much will depend on the course of Soviet policy in the next years. If Mr. Gorbachev is able to carry out his grand design, then the sharp edges of East-West confrontation will be blunted, both military alliances will reduce their conventional forces and deploy them in a purely defensive manner and the Soviet Union and the other socialist states will become increasingly integrated into the world economy. In such conditions, the line between allied and neutral states will indeed become blurred.

Such a day is still a long way off. The risk of a setback is obvious. In the meantime, the skeptics continue to hold the fort. Neutrality, they point out, is like an umbrella one keeps for use in bad weather. It would be foolish to throw it away the moment we see a glimpse of the sun shining through the clouds.

MAX JAKOBSON is a former Finnish ambassador to the United Nations and writes on international affairs in Helsinki.

NEW ISSUE The Notes referred to below have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to United States Persons as part of the distribution. This announcement appears as a matter of record only.



Finnish Export Credit Ltd

U.S. \$200,000,000

8½% Notes Due 1992

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- | | |
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| Chase Investment Bank | CIBC Capital Markets |
| Mitsubishi Finance International Limited | Bankers Trust International Limited |
| BankAmerica Capital Markets | Bank of Tokyo Capital Markets Group |
| Bank Brussel Lambert N.V. | Credit Lyonnais |
| BNP Capital Markets Limited | Deutsche Bank Capital Markets Limited |
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<small>Girozentrale</small> | Yasuda Trust Europe Limited |

February, 1988

These Bonds having been sold, this announcement appears as a matter of record only.

New Issue

March, 1988



Nordiska Investeringbanken

(Nordic Investment Bank)

FIM 300,000,000

9½ per cent. Bonds due 1993

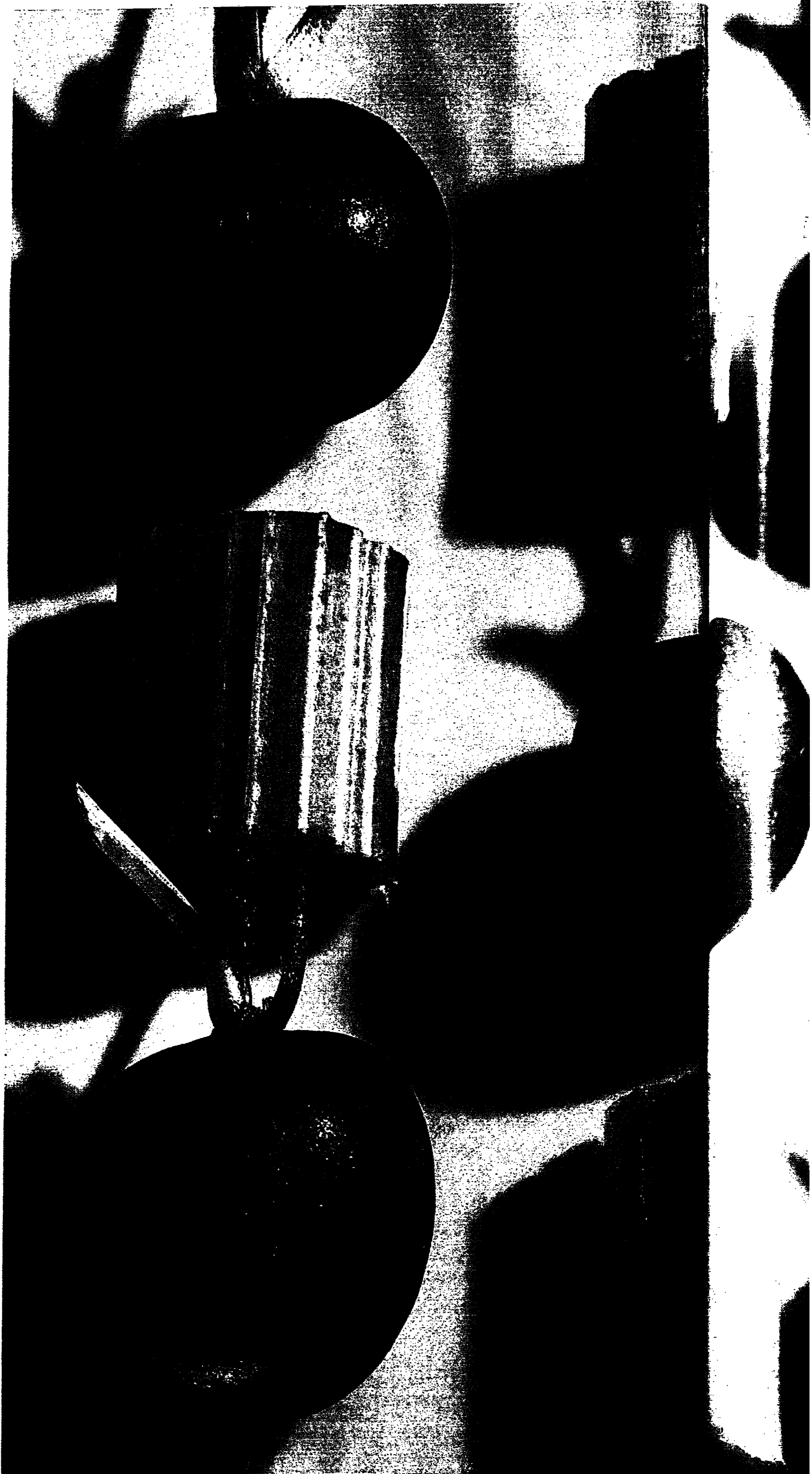
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BANKERS TRUST INTERNATIONAL LIMITED

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|---|---|
| CREDIT SUISSE FIRST BOSTON LIMITED | DAIWA EUROPE LIMITED |
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Handwritten signature in Arabic script: *عبدالله بن محمد*

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Weekly International Bond Prices

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Prices may vary according to market conditions and other factors.

March 24

Dollar Straights

Table of Dollar Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs. Includes sub-sections for Australasia, Canada, and France.

Scandinavia

Table of Scandinavian bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Japan

Table of Japanese bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

United Kingdom

Table of United Kingdom bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

United States

Table of United States bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Western Europe (Other)

Table of Western Europe (Other) bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Non-European

Table of Non-European bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Yen Straights

Table of Yen Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Mutual Funds

The following are the returns of the funds, as of the end of the reporting period.

Table of Mutual Funds with columns for Fund Name, Yld, and Trs. Includes sub-sections for New York, London, and other regions.

DM Straights

Table of DM Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Zero Coupons

Table of DM Zero Coupons bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Straights

Table of DM Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Zero Coupons

Table of DM Zero Coupons bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Straights

Table of DM Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Zero Coupons

Table of DM Zero Coupons bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

DM Straights

Table of DM Straights bond prices, including columns for Issuer, Con, Mat, Price, Yld, and Trs.

Large advertisement for WestLB (Westdeutsche Landesbank) featuring the text 'Fixed Income and Equities Trading - for dealing prices call:' and 'One of the leading Marketmakers'. Includes contact information for various international offices.

Wall Street Review

NYSE Most Actives, AMEX Most Actives

Table showing NYSE and AMEX most active stocks with columns for Volume, High, Low, Last, and Change.

Treasury Bonds

Table of Treasury Bonds with columns for Maturity, Close, and Yield.

U.S. Consumer Rates

Table of U.S. Consumer Rates for various financial products.

NYSE Sales, AMEX Sales

Table of NYSE and AMEX sales data.

NYSE Dividends, AMEX Dividends

Table of NYSE and AMEX dividends.

WestLB logo and contact information for various international offices including London, Luxembourg, Hong Kong, and others.

Chicago Merc Puts Daily Price Limits Into Effect

By Julia Flynn Siler
New York Times Service

CHICAGO — The Chicago Mercantile Exchange put into effect Monday a new system of adjustable daily price limits on its Standard & Poor's 500-stock index futures and options contracts.

The limits, which were approved by the Commodity Futures Trading Commission last week, will permanently replace the emergency price limits imposed by the Merc on Oct. 23 to calm the violent price swings in the market.

The new limits will be established monthly by the exchange. They will be raised or lowered depending on the settlement price of the contract on the last day of the preceding month.

For the rest of this month, the Merc, the largest U.S. market for

stock index futures, reduced the new daily price limits to 15 points from 30 points. The change is roughly equivalent to a 125-point move in the Dow Jones industrial average. The limits may range from 15 to 25 points.

In theory, price limits stabilize the market by slowing or halting trading when the limits are reached, giving local traders time to review their positions.

Price limits are common in agricultural futures, but have long been opposed in stock index futures by exchange officials and some industry experts. They have argued that limits effectively sever the link between the stock index futures market and the cash market. If trading in futures halts, certain trading strategies, such as index arbitrage, cannot be used.

"The idea of limits is generally against the concept of free markets," said William J. Brodsky, president of the Merc, in a telephone interview. "But given the experience we had in the markets in October, it is the responsible thing to do. We would much rather regulate our own markets than let someone from the outside do it."

Some experts believe the stock market's collapse in October was accelerated by program trading strategies, which involve the use of computers to trade index futures, options and huge blocks of stocks.

Mr. Brodsky further emphasized that the Merc was the first exchange to put price limits into place. Such "circuit breakers" were later recommended by the presidential commission's report on the

stock market collapse. Limits have since been adopted by the New York Futures Exchange and the Kansas City Board of Trade. However, adjustable limits are a new idea to the stock index futures market.

The Merc has also proposed to the Commodity Futures Trading Commission a 5-point "opening limit" for the start of trading each day. Under that proposal, if the price of the S&P 500 moved more than 5 points, or the equivalent of 40 points in the Dow Jones industrial average, at the opening, trading would be halted for 10 minutes.

The proposed limit is intended to prevent the huge price imbalances between the S&P 500 futures and the underlying index that occurred during the stock market collapse.

New Offer Tops Presidio's Bid For Sabine

New York Times Service

LOS ANGELES — Pacific Enterprises has agreed to pay \$24 a share, or a total of \$339 million, for Sabine Corp., topping a competing bid for the independent Dallas oil and gas concern from the Presidio Oil Co.

Earlier this month, Sabine had rejected as inadequate a \$20-a-share bid from the Denver-based Presidio, which withdrew its offer Friday. "They may have seen value we didn't see," Presidio's chairman, George P. Giard Jr., said. "We believe our offer was fully priced."

Industry analysts agreed that Pacific Enterprises of Los Angeles, the parent of the largest U.S. natural gas utility, was paying a premium for Sabine's reserves. Company officials said the proposed buyout fit Pacific Enterprises' goal to raise its non-utility income to 30 percent of earnings by 1992.

Pacific Enterprises, which recently changed its name from Pacific Lighting Corp., owns Southern California Gas Co. and Thrifty Corp., which operates drug and sporting goods chains.

A 'Muddy' Market for Mini-Supers

By Thomas C. Hayes
New York Times Service

DALLAS — Severe price cutting and the market clutter created by many new products have stowed growth in the mini-supercomputer industry, which many analysts had thought could achieve \$1 billion in sales in 1990. Although demand continues to rise and sales hit \$300 million last year, these experts now think the industry will not reach the \$1 billion benchmark until 1992.

Meanwhile, the emergence of a new class of desktop supercomputers meant for individual users is likely to leave some potential buyers confused and take away a significant part of the lower end of the mini-supercomputer market.

"The market is in the midst of a difficult adolescence," said Gary P. Smaby, managing director of Piper, Jaffray & Hopwood Inc., a brokerage in Minneapolis.

Mr. Smaby said that the coming introductions of the desktop supercomputers would "further muddy the waters" for prospective buyers. A buyer who in the past might have purchased two mini-supercomputers to be shared by many scientists or engineers might now buy just one mini-supercomputer and several of the new desktop models, which cost less.

Robert J. Paluck, president and chief executive officer of Convex Computer Inc. in Dallas, the market leader in mini-supercomputers, said the desktop models were sim-

ply faster work stations with improved graphics capability. "Our strategy is to separate ourselves by going for the higher end of our market," he said, "which means building the fastest machine possible for under \$1 million." The Convex computer is meant to be used by several dozen people at once.

The market for the new desktop computers "is rapidly growing but not enough to support all the contenders."

Jeffrey Canin, market analyst

Jeffrey Canin, an analyst in San Francisco with Hambrecht & Quist, said, "The market clearly is very viable and rapidly growing, but not sufficiently enough to support all the contenders."

"The shakeout we've seen is a product shakeout, not a market shakeout," said Donald E. Eckdahl, chairman and president of Multiflow Computer Inc., of Branford, Connecticut, which raised \$36 million in venture capital since 1984. It released its first product last year and has sold 19.

So far, seven companies have dropped from the mini-supercomputer race, which began five years ago.

The most logical and widely anticipated competitor, Digital Equipment Corp., has been slow to join the fray. With \$10 billion in sales, Digital is dominant in the market for the conventional slower microcomputer, but it lost some ground to the upstart who created the mini-superputer.

Their machines in some cases 10 times faster and cost half as much as Digital's aging models priced at \$80,000. Analysts at Digital's response, called Pegasus, could be in production late this year. Few details about that chip's speed and price are known.

Cray Research Inc., whose supercomputers are priced from million to \$20 million, sells mainly to large corporations, universities and government agencies. It is expected, by choice, to be a fast in the broader, mini-superputer field. Cray's strategy is to build faster, more complex machines that inevitably have a limited market because of their million-dollar price.

That means Convex and Allia Computer Systems Corp. of Littleton, Massachusetts, are likely to maintain their positions as sales leaders, at least until Digital enters the market, said George Weiss, technology analyst with Gartner Group, a research company in Stamford, Connecticut.

American Exchange Options

Table with columns for Option & price, Calls, and Puts. Includes sub-sections for May, Apr, and Mar. Lists various stock options with their respective prices and volumes.

Table with columns for Option & price, Calls, and Puts. Lists various stock options with their respective prices and volumes.

IBM: High-Tech Giant Countering the Threat From Japan's Chip Makers

(Continued from first finance page) The report "We would consider any such activity proprietary," said Paul Bergvin, a spokesman for the company.

A spokesman for Digital also said that if such talks occurred, they would be proprietary.

But Samuel H. Fuller, corporate vice president for research at Digital, said such cooperation would not be that unusual in an industry in which competitors are often each other's suppliers.

"In many ways, IBM and Digital share a common fate," he said. "The U.S. either is or isn't a good place to develop computer systems."

Mr. Prestowitz does not elaborate in his book about what technology was offered or whether Digital accepted the offer.

Four other industry sources, who declined to be identified, verified that IBM had made such an offer. Indeed, the sources said, it appeared that IBM made a series of approaches over the past two or three years.

One of the important technologies offered by IBM, according to two of the sources, concerned special high-speed memory chips, which are made by a technology known as an emitter-coupled logic.

Digital needs such chips in its large computers and is now totally dependent on Japanese suppliers. The sources said that Digital would be interested in developing such technology on its own.

However, the sources differed on whether IBM offered to license the technology to Digital or merely to sell it the chips. It could not be determined whether an agreement was reached.

IBM also offered to sell conventional computer memory chips, known as dynamic random access memories, to Digital, according to three of the sources.

Some sources said that IBM, in addition to its interest in reducing dependence on the Japanese, may have had another purpose in selling the chips — fresh revenue to help recover its semiconductor costs. If IBM were considering such sales,

Digital, as one of the largest users of chips, would be a logical company for IBM to sell on.

The sources said that Digital declined IBM's offer of memory chips partly because the chips differed from the standard chips sold by other companies. To accommodate IBM's chips, Digital would have had to change its computer designs and become dependent on IBM for chips.

Moreover, there was suspicion that IBM might not give Digital the latest technology. "You've got to be a little suspicious of the gorilla, even when he's offering you bananas," one source said.

The issue of dependency on foreign chips has become charged in the past two years. Some analysts say U.S. computer companies are becoming dangerously dependent on Japanese chip makers.

The Japanese chip makers, — Fujitsu Ltd., Hitachi Ltd., Toshiba Corp. and NEC Corp. — also are major competitors in the computer business and could use the dependence of their American rivals to their advantage. In the current

shortage of memory chips, for example, some executives feel if Japanese computer companies, any company would do, are selling their own chip needs but selling to outsiders.

The fear of dependence, which dismissed by other people in industry and government as overblown, was the basis for a report issued a Defense Department advisory last year that led to government financing for Sematech.

IBM makes most of its own chips, and would therefore be expected not to be concerned about dependence on the Japanese. As ally, however, it seems more concerned than anyone else, according to the sources. That is because IBM depends on other companies for the equipment and materials it uses to make chips.

Without a thriving American semiconductor industry, IBM's lieves, the chip making equipment industry will also wither, making IBM dependent on its Japanese competitors for the equipment needs.

Chicago Exchange Options

Table with columns for Option & price, Calls, and Puts. Includes sub-sections for May, Apr, and Mar. Lists various stock options with their respective prices and volumes.

Table with columns for Option & price, Calls, and Puts. Lists various stock options with their respective prices and volumes.

NASDAQ National Market

Table with columns for Sales in 100s, High, Low, Close, and Net Change. Lists various NASDAQ stocks with their respective prices and changes.

Table with columns for Sales in 100s, High, Low, Close, and Net Change. Lists various NASDAQ stocks with their respective prices and changes.

The Global Newspaper.



Handwritten text in Arabic script: "هذا ما كان..."

Property: Another Plus for Raiders

Undervalued Real Estate Lures Takeover Specialists

By Eric N. Berg
NEW YORK — Corporate raiders are looking at one thing in an acquisition target: the value of a company's businesses relative to its stock price.

In deal after deal — from the takeover battles over Federated Department Stores Inc. and the Santa Fe Southern Pacific Corp. to the buyout of Shop & Shop Co. — real estate has played a pivotal role.

But in recent months, those in the takeover game have been looking just as hard at the land those businesses stand on and the buildings they occupy.

In the case of retailers, railroads, oil and restaurant chains and other companies with extensive real estate holdings, they have figured out what the property was worth.

But the big problem was figuring out what the property was worth. In the past two years, however, specialists in takeovers have come to see this lack of information as an opportunity.

Consider, for example, Federated Department Stores Inc., the object of a takeover fight between R.H. Macy & Co., the retailer, and Campeau Corp., the Canadian developer.

Analysts estimate the value of Federated's owned real estate, not including leases, at more than \$2 billion. When leased real estate is taken into consideration, the value of the real estate probably exceeds \$3 billion.

Similarly, analysts have estimated the value of Santa Fe's property alone, which includes land and buildings throughout California, to be between \$3 billion and \$4 billion.

Other real estate-rich companies in the merger-and-acquisition rumor mill include Hilton Hotels Corp., Castle & Cooke Inc. and Manufacturers Hanover Trust Co.

estate holdings is still largely guesswork. In its annual report, Federated says that of its 225 department stores, 146 are owned with 28.1 million square feet (2.5 million square meters).

What are they worth? Real estate values vary widely from city to city. A store in a choice location in Los Angeles might be worth \$90 to \$125 a foot, while the same store in Detroit might be worth only \$45 to \$65 a square foot.

With knowledge of real estate becoming increasingly important to success in mergers, it is no coincidence that some of the biggest names in real estate have gotten into the takeover game.

They include Donald Trump, who owns a key stake in Alexander's Inc., the big retailer, and Resorts International, the hotel and gambling concern; Robert Campeau, the controlling shareholder of Campeau, which bought Allied Stores in 1986 and Peter Kalkow, the New York City property developer who recently acquired The New York Post, which also owns valuable land.

Standard Brands raised more than \$150 million through bonds and bank notes that it used to buy back stock and thwart the takeover. Backing the IOUs is prime California property that Standard Brands owns under its stores.



Robert Campeau



Peter S. Kalkow

say the most likely group is banks. After all, they note, bank stock prices are depressed because of their troubled loans. Yet the banks are rich in real estate.

One such bank, analysts say, is Manufacturers Hanover. Its problem loans to the Third World have depressed the company's stock price, but some analysts believe that the stock is too low given the value of its real estate. Its Park Avenue headquarters alone is worth hundreds of millions of dollars.

Referring to banks with troubled loans, Jerry I. Speyer, the managing partner of Tishman Speyer Properties, a New York developer, said: "If you are buying the stock cheaply on the stock exchange, you don't have to worry about the value of the loans because you're getting valuable real estate."

ZONES: U.S. Duty-Free Areas Are Assailed for Swelling the Trade Deficit

(Continued from Page 1)

ven Beckman, an international economist with the United Auto Workers Union. "But the United States is going to have a trade problem for years. This issue isn't going to go away."

Manufacturers have found the program especially appealing. Companies import foreign parts duty-free and then assemble them into a finished product. When the product eventually enters the United States, the tariff rate is significantly lower than if the parts had been imported separately.

All ports of entry are entitled to trade zone status and those that exist generally are operated by states or port authorities. Requirements for so-called subzone status, which is conferred on individual manufacturing plants, are tougher, with a primary consideration being benefits for the local economy.

Companys that use trade zones are clearly uncomfortable with any suggestion that they are contributing to U.S. trade difficulties, and they generally decline to spell out how much they are importing. "The program doesn't mean life and death to us, but every little bit helps," said a spokesman for General Motors Corp., which imports such items as steering wheels, transaxles and instrument panels.

Included in the list of companies that have secured zone status are not only such well-known foreign concerns as Olivetti, Honda Motor Co. and Volkswagen, but also international Business Machines Corp. and the big three U.S. automakers — Ford Motor Co., General Motors and Chrysler Corp.

according to Commerce Department analysis. But this still represents less than 5 percent of total U.S. imports, according to the Trade Commission study.

The management at Coastal Refining & Marketing, a unit of Coastal Corp. of Houston, says the program has vastly improved the balance sheet of its refining operation in Corpus Christi, Texas. The plant imports crude oil duty-free and does not pay any tariff charges until it enters the United States as a refined product.

Against a backdrop of growing global competition, these cost factors have become critical and trade zones have never been more popular. As late as 1970 there were as few as 12 trade zones, but today there are 140 general-purpose zones. And 105 individual manufacturing plants scattered around the country have qualified for subzone status. Moreover, the Commerce Department is reviewing 80 new applications.

The expansion gained momentum after customs officials decided in 1980 to exclude the costs of U.S. labor used in the zones when determining duty charges.

Included in the list of companies that have secured zone status are not only such well-known foreign concerns as Olivetti, Honda Motor Co. and Volkswagen, but also international Business Machines Corp. and the big three U.S. automakers — Ford Motor Co., General Motors and Chrysler Corp.

ers is that the imported content of a finished vehicle is assessed 2.5 percent duty, the same for an imported car. If parts are imported separately, the duty can be two to three times higher. In the case of car radios, the tariff could be as high as 8.3 percent.

Despite arguments from manufacturers that they would continue to import parts even without tariff privileges, critics contend that the rapid increase in the number of trade zones encourages the import of even more foreign parts, often to the disadvantage of domestic suppliers.

Moreover, they note that the zones primarily provide a gateway for imports, while only a small percentage of zone activity is aimed at exporting. The Trade Commission study found that exports and transshipments account for only a tenth of zone shipments.

"Nobody ever asks the big question about how it affects employment across the United States or how a trade zone affects the economy as a whole," said Linda Hoffman, vice president of the Automotive Parts and Accessories Association. "The concern is always about the benefits to some particular region or county."

The opposition has been especially fierce when it comes to foreign applicants. The rising protectionist sentiment in recent years has prompted some foreign manufacturers to establish U.S. assembly facilities. Japanese automakers, either through their own U.S. subsidiaries or joint ventures with U.S. companies, have been the most conspicuous participants in the program.

just want us to ban all foreign companies from trade zones," said one Commerce Department official who declined to be identified. "But the law doesn't discriminate between foreign and domestic applicants."

In November, Toyota Motor Corp. obtained subzone status for its new \$1.1 billion assembly plant in Georgetown, Kentucky, but only after a bitter fight during which it was charged that Japanese automakers gain an unfair advantage because they use a higher percentage of imported parts than American producers.

Toyota estimates it will save between \$30 and \$40 a car when its plant reaches full production of 200,000 cars later this year. General Motors, which says the foreign parts in its cars total less than 10 percent, saves between \$4 and \$5 a car.

And while Toyota says it will eventually employ 3,500 workers at its Kentucky plant, opponents contend there will be no net gain in employment since the new plant will merely take away jobs from other sectors of the auto industry.

The House Ways and Means committee is to hold hearings later this year to determine if the trade zone legislation should be amended. Representative Marcy Kaptur, Democrat of Ohio, has suggested that Japanese companies be prohibited from using trade zones. And Representative John J. LaFalce, Democrat of New York, has proposed a bill that would limit the imported content of products assembled in a trade zone to 20 percent of their total value.

SATELLITE: GTE's Successful Launch Provides a Lift for the Industry

(Continued from first finance page)

grounded satellite for two years. It is stuck with an unusable, \$10 million rocket engine that was to have taken the satellite from the orbit where the shuttle would deposit it to a much higher "geostationary" perch.

In addition, Ariespace will charge about \$50 million for the launch itself, compared with the shuttle fare of less than \$20 million. Insurance, once 5 percent of satellite and launch costs, has soared to 20 percent.

Among the hardest hit companies was Hughes Communications Inc. of El Segundo, California. Just before Challenger's loss, it had signed with the National Aeronautics and Space Administration for the launch of 10 satellites by shuttle. One, a U.S. Navy communications satellite that cannot ride a rocket because of its physical design, has been rescheduled for that route. Only two of the remaining nine have so far been able to hitch rides elsewhere.

Contel ASC of Rockville, Maryland, had one satellite in space at the time of the shuttle disaster. With the cancellation of a second launch in 1987, the company will consider itself lucky if it can get its next launch three years behind schedule. Similarly, Intelsat is looking to launch two satellites late in 1989 that were booked on the shuttle for 1987 and 1988.

Faced with such an uncertain future, the industry is being forced to find ways to better use what it has. One fruit of this labor is the so-called Comsat maneuver, devised for its satellites in their sunset years by Communications Satellite Corp., the Washington-based company that represents the United States in Intelsat.

A satellite's on-board fuel is drawn down mostly through periodic thrusts to fine-tune its orbit. That makes for simple operations at earth stations, which can remain aimed at a single, fixed point in the sky rather than tracking a daily rise and fall. Now Comsat is allowing a number of its older satellites to drift out of their stations and compensating by upgrading earth stations to track them up and down.

"With a little bit of innovation," says Joel Alper, president of Comsat's systems division, "we've been able to preserve the life of these satellites." The estimated added life is typically three to five years. The launch hiatus has also sped development of new technology to push more data through the satellites' fixed-sized electronic pipelines. Comsat can now squeeze three video channels through satellite equipment what used to accommodate only two. Across the industry, the migration to digital transmission, which is generally more efficient than the conventional analog, has gained momentum.

By good fortune, there was a good deal of telecommunications capacity in orbit by 1986 when U.S. launches stopped. That, combined with new development in exploiting capacity and added use of ground-based fiber optic cables, has meant that no significant shortage of circuits has emerged. That has kept prices stable. Many analysts, however, think that state of affairs could begin to end as early as next year in some service categories, reflecting capacity saturation aloft and the increased cost of putting satellites there. "The quantity will go down and the price will go up," predicts Mr. Wayton.

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SPORTS

Witt, Boitano Win Figure Skating Titles

The Associated Press
BUDAPEST — Katarina Witt of East Germany won her fourth world figure skating title Saturday...

at the Olympics, where she won the long program. She did not fall Saturday, but she barely held three jumps while landing off balance.



Katarina Witt: International victory No. 12.

move Boitano bailed out on late in his program. The American came in second in the program to win his second world title.

SIDELINES

Three World Swimming Records Set in U.S.

ORLANDO, Florida (AP) — Janet Evans set her second world record in four days Saturday and became the first woman to swim the 1,500-meter freestyle in under 16 minutes at the U.S. indoor championships.

Bassa, on Decision, Keeps His WBA Crown

BELFAST (AP) — Fidel Bassa of Colombia survived a late rally by Dave McAuley of Northern Ireland to retain his World Boxing Association flyweight title on a unanimous 12-round decision here Saturday night.

McCumber Leads Weather-Delayed U.S. Golf

PONTE VEDRA BEACH, Florida (AP) — Mark McCumber, with a 5-under-par 67/204, held a two-shot lead Sunday after the third round of the storm-delayed Players Championship golf tournament.

Mauch Calls It Quits

PALM SPRINGS, California (AP) — Gene Mauch announced Saturday that he was retiring as manager of the California Angels and that Cookie Rojas would replace him.

Crossword puzzle grid with numbers 1-31.

ACROSS and DOWN crossword clues. ACROSS: 1 Napskins for babies, 5 Huckleater, 10 Formless mass, 14 Soviet sea, 15 Twit, 16 French fantasy, 17 Off one's rocker, 18 Discussed, 20 Desk accessory, 21 Holmes activity, 22 Shoe size, 24 Actress, 25 Gets cracking, 28 Provides gratuitously, 30 Stovetop, 32 Cry of surprised dismay, 35 Satanic, 36 Flood refuge, 37 Spartan serif, 39 Notable time, 39 Chariot way, 41 Spirit, 42 Basque's topper, 44 Mazurkalike dance, 45 Michaels and feasts.

Solution to Friday's Puzzle

SEPOY PAIRS, SENEGAS SACQULE, KNIGHTTOPPYTHIAS, ESS SEALANE NTH, PALP SKATE BATE, STEAL ENE BITER, EDWARD SOUSED, NIE ASH, TIERED AREOLE, DENES RAW SPENT, ORCS SENNA SATE, URI PISTILLS KIRA, CASTLESINTHEAIRS, ECOLOGY GARAGES, ERODIE RITES.

PEANUTS

Comic strip panels for Peanuts featuring Snoopy and Woodstock.

DENNIS THE MENACE

Comic strip panels for Dennis the Menace featuring Dennis and Miss Marmalade.

JUMBLE

Word puzzle section with words like DOFOL, NEKIF, LIPPUT, CEDITE and a grid.

BEETLE BAILEY

Comic strip panels for Beetle Bailey featuring Beetle Bailey and his dog.

ANDY CAPP

Comic strip panels for Andy Capp featuring Andy Capp and his wife.

WIZARD OF ID

Comic strip panels for Wizard of Id featuring a wizard and his subjects.

REX MORGAN

Comic strip panels for Rex Morgan featuring Rex Morgan and his wife.

GARFIELD

Comic strip panels for Garfield featuring Garfield and his owner.

WIZARD OF ID

Comic strip panels for Wizard of Id featuring a wizard and his subjects.

WORLD STOCKS IN REVIEW

Amsterdam: Stock prices moved lower last week on moderate volume, with most of the drop coming on Friday.

Paris

Paris stocks did not react to the candidate for re-election of President Francois Mitterrand, which was assumed long ago.

Hong Kong

Share prices on the Hong Kong Stock Exchange plunged, with the Hang Seng Index dropping more than 100 points.

London

Prices had their biggest plunge since early February on the London Stock Exchange, where trading volume fell back to recent low levels.

Tokyo

Trading on the Tokyo Stock Exchange ended on a sour note as prices fell sharply on worries about the dollar and cautious attitudes before the new financial year.

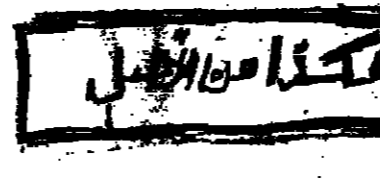
Zurich

Zurich stock prices finished about 3 percent down after what analysts called a disappointing Friday session.

WEATHER

Table with columns for EUROPE, ASIA, AFRICA, LATIN AMERICA, NORTH AMERICA, MIDDLE EAST, OCEANIA. Rows list cities and their weather conditions.

MONDAY'S FORECAST: CLEVELAND: Partly cloudy to rough. FRANKFURT: Cloudy. TEMPE: Partly cloudy.



SPORTS

Oklahoma Wears Down Villanova to Gain Final Four, 78-59

Compiled by Our Staff From Dispatches BIRMINGHAM, Alabama — Villanova's strategy, patience and discipline took the Wildcats a long way this college basketball season.

But Oklahoma's talent has taken the Sooners to the NCAA tournament's Final Four.

When the Sooners returned after a television time-out with 4:19 left, Tubbs called for a 2-3 zone. The Wildcats seemed relieved and took advantage of the zone.

Kansas Nips Kansas St., 71-58, in Midwest Final

The Associated Press PONTIAC, Michigan — Danny Manning scored 20 points and Scooter Barry added a career-high 15 as Kansas advanced to the NCAA tournament's Final Four for the second time in three years with a 71-58 victory Sunday over No. 20 Kansas State in the Midwest Regional championship game.

Kansas, 25-11 and the sixth seed in the region, is to meet fifth-ranked Duke (28-0), the champion of the East Regional, on Saturday in Kansas City, Missouri.

Kansas's last trip to the Final Four was in 1986, when the Jayhawks lost to Duke 71-67 in the semifinals. The teams met earlier this season, and Duke won 74-70 in overtime in Lawrence, Kansas.

Duke Eliminates Temple

Compiled by Our Staff From Dispatches EAST RUTHERFORD, N.J. — Wherever they turned, a Duke player was waiting.

Duke player was waiting. Whenever they took a shot, Temple players found a hand waving in their faces.

It was only the second defeat of the season for Temple, which entered the game with a 32-1 record. Its only previous loss was by a point, to Nevada-Las Vegas, in February.

Duke Eliminates Temple

Atlantic Coast Conference tournament and had overcome poor shooting to advance this far in the NCAA tournament.

Danny Ferry, the junior forward, had 20 points for Duke and Kevin Strickland added 21.

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Iowa, Michigan, Purdue Lose as Big Ten Bows Out

NEW YORK — It was a fatal Friday night for the Big Ten conference, as all three of its remaining teams — Iowa, Michigan and Purdue — bowed out of the NCAA basketball tournament in regional semifinal play.

WEST (in Seattle) Arizona 99, Iowa 79: Sean Elliott scored 25 points and Arizona opened the second half with a 24-9 run. Anthony Cook added 16 points for the Wildcats while his teammates Steve Kerr and Tom Tolbert each had 17. B.J. Armstrong led Iowa with 27 points.

Purdue got to within 69-67 with 1:29 left on Everett Stephens' fourth three-pointer of the game.

The winners' Will Scott added 17 points, all but two on three-pointers. Stephens led the Boilermakers with 20 points.

one, but he could not quibble about how the Owls dismantled Richmond on Thursday night.

It looked as if they were going to roll past Duke in the early going, too, leading by 17-7 with 10 minutes to play in the first half.

Duke won its first two games of the tournament in Chapel Hill, North Carolina, not far from the Duke campus in Durham.

Temple, by contrast, had been improving with each game. Coach John Chaney thought the victory against Georgetown was the most impressive

West showed Dave Steger some unorthodox first-half defense but Steger and the Sooners showed Villanova the gate, 78-59.

Michigan led, 39-36, with 16:41 to play but North Carolina went on a 14-2 tear to pull ahead by 50-41 on Steve Bucknall's three-pointer with 12:58 left.

Billy King, who held Mark Macon to 6-for-29 from the floor.

But Duke was unable to get closer than two points in the half as Tim Perry's shot-blocking ability forced the Blue Devils to take all their shots from outside.

Temple came apart under Duke's switching man-to-man defense, which hounded the Owls constantly.

Duke's comeback was fueled by Strickland, who stung the Owls from outside, and Olin Snyder, the point guard, who had four free throws and a three-pointer.

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SCOREBOARD

Basketball

National Basketball Association Standings

Table showing NBA Standings for Eastern Conference (Atlantic, Central, Southeast Divisions) and Western Conference (Pacific, Midwest Divisions).

NCAA Tournament

Table showing NCAA Tournament Standings for East, Southeast, Midwest, and West Regional Semifinals.

Soccer

AFRICAN NATIONS FINAL

Table showing African Nations Final Standings for French First Division and English First Division.

World Cup Skiing

MEN'S SLALOM

Table showing Men's Slalom World Cup Standings.

Transition

BASEBALL

Table showing Baseball Standings for American League (Baltimore Orioles, Boston Red Sox, Cleveland Indians, Detroit Tigers, Kansas City Royals, Minnesota Twins, Milwaukee Brewers, New York Yankees, Oakland Athletics, Toronto Blue Jays, Washington Senators) and National League (Atlanta Braves, Cincinnati Reds, Chicago Cubs, Houston Astros, Los Angeles Dodgers, Montreal Expos, New York Mets, Philadelphia Phillies, Pittsburgh Pirates, San Diego Padres, St. Louis Cardinals, Texas Rangers, San Francisco Giants).

Cross-Country

Table showing Cross-Country Standings for World Championships.

Hockey

NHL Standings

Table showing NHL Standings for Patrick Division and Adams Division.

Figure Skating

World Championships

Table showing World Championships Standings for Men, Women, and Pairs.

Tennis

WOMEN'S TOURNAMENT

Table showing Women's Tennis Standings for Singles and Doubles.

Said only slightly subdued Alberto Tomba: "I'll be back."

that event for a total of nine cup victories for the season.

B.C. Gains Semis of NIT

MURFREESBORO, Tennessee — Dana Barros scored 24 points and Steve Benton added 17 Saturday night to lead Boston College to 78-69 victory over Middle Tennessee to gain the semifinals of college basketball's National Invitation Tournament.

Rainy Harvey scored 34 points for Middle Tennessee, which shot only 40 percent from the field and 38 percent from the foul line.

Skiing Hard, Zurbruggen Wins Overall Cup Crown

SALZBACH, Austria — Firmian Zurbruggen of Switzerland pinned its World Cup overall title with two aggressive runs in the slalom and a last slalom Saturday.

Alberto Tomba of Italy fell in his second run, but by then the race for the title has been decided.

Zurbruggen assured himself of a sixth in the top five with a 48.42-second clocking for the second run of the Schatzberg course.

Said only slightly subdued Alberto Tomba: "I'll be back."



